

STATE BOARD OF EQUALIZATION
BEFORE THE ADMINISTRATIVE JUDGE

IN RE:	Lee Roy Damron, et ux)	
	Dist. 21, Map 80, Control Map 80, Parcels 14.00,)	Bedford County
	16.00 and 17.00)	
	Residential Property)	
	Tax Year 2006)	

INITIAL DECISION AND ORDER

Statement of the Case

For the purpose of writing these decisions these three (3) parcels will be combined.
The subject properties are presently valued as follows:

Parcel 14.00

<u>LAND VALUE</u>	<u>IMPROVEMENT VALUE</u>	<u>TOTAL VALUE</u>	<u>ASSESSMENT</u>
\$14,700	\$29,400	\$44,100	\$11,025

Parcel 16.00

<u>LAND VALUE</u>	<u>IMPROVEMENT VALUE</u>	<u>TOTAL VALUE</u>	<u>ASSESSMENT</u>
\$30,000	\$0	\$30,000	\$7,500

Parcel 17.00

<u>LAND VALUE</u>	<u>IMPROVEMENT VALUE</u>	<u>TOTAL VALUE</u>	<u>ASSESSMENT</u>
\$28,900	\$0	\$28,900	\$7,225

Appeals have been filed on behalf of the property owner with the State Board of Equalization on July 19, 2006.

These matters were reviewed by the undersigned administrative law judge pursuant to Tennessee Code Annotated (T.C.A.) §§ 67-5-1412, 67-5-1501 and 67-5-1505. This hearing was conducted on January 18, 2007, at the Bedford County Property Assessor's Office. Present at the hearing was Roy Damron, the taxpayer who represented himself. Also present were Rhonda Clanton, the Assessor for Bedford County, Mark Lamb an Appraiser from the Property Assessor's Office, Bobby Spencer and Tom Winfrey from the Division of Property Assessment for the State of Tennessee.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

The subject properties consist of properties located in Shelbyville, Bedford County, Tennessee.

As to Parcel 14.00, it is improved property located on Temple Ford Road.

Mr. Damron believes the property is worth only \$16,000 because of a “gas pipeline on his property to transport gas to Wal-Mart. It makes that land uninsurable, un-mortgagable [sic], and dangerous. Old house is more of a shack, T-shaped lot on corner on downhill near high crime area near river where trespassers party constantly. Noisy, lots of truck

traffic on fast road with nearby chicken barns, and hunting preserves makes it undesirable to buyers except for developers. Floods occasionally.”

As to Parcel 16.00, is an unimproved tract of property that is 20 acres, it is also located on Temple Ford Road. Mr. Damron believes the property is worth \$700 per acre. He states it has “no improvements, poor woodland, is assessed more than nearby property that is in better location. Has no road frontage and is located in poor crime area which makes it undesirable except for speculators and investors [sic] who would consider large capital investment to improve. They would need help from county government for this and also help in the market which is in downward mode.”

As to Parcel 17.00, it is an unimproved tract of land that is comprised of 19.30 acres that is located on Warner Branch Road. Mr. Damron also believes that this parcel has a market value of \$700 per acre because it is “not improved, poor woodland, is assessed more than nearby property that is in a better location. No road frontage and is located in poor and crime area which makes it undesirable. Would take major expense and help from county to make profit for real estate speculators.”

Since the taxpayer is appealing from the determination of the Bedford County Board of Equalization, the burden of proof is on the taxpayer¹. See State Board of Equalization Rule 0600-1-.11(1) and *Big Fork Mining Company v. Tennessee Water Control Board*, 620 S.W. 2d 515 (Tenn. App. 1981).

The county, through the testimony and presentation of its expert witness, Robert Spencer contends that the property should be valued at \$26,000 per parcel. In support of this opinion they have submitted a document, exhibit #1 for the county, which shows, using the sales comparison approach the previously asserted values. Mr. Spencer offered three (3) comparable sales using the paired data analysis.

There are generally three (3) approaches to the determination of value; each has been determined to be more appropriate for specific types of property. The income approach is generally used for commercial income producing property; the cost approach uses the principle of substitution for the determination of improved property valuation, usually works best for newer improvements, because construction costs are easier to estimate and there is less depreciation; and the sales comparison approach which uses paired sales analysis and is most commonly used in the evaluation of residential properties.

The germane issue is the value of the properties of January 1, 2006. The basis of valuation as stated in T.C.A. § 67-5-601(a) is that “[t]he value of all property shall be

¹ The taxpayer must show by a preponderance of the evidence that an allegation is true or that the issue should be resolved in favor of that party. *Uniform Rules of Procedure for Hearing Contested Cases. Rule 1360-4-1-.02 (7)*.

ascertained from the evidence of its sound, intrinsic and immediate value, for purposes of sale between a willing seller and a willing buyer without consideration of speculative values”

After having reviewed all the evidence in this case, the administrative judge finds that the data offered by Mr. Spencer should be accepted, therefore, the value will be set at \$26,000 per vacant parcel based upon the presentation of evidence by the Division of Assessments for the State of Tennessee and \$44,100 for the improved parcel based upon the paired data analysis.

With respect to the issue of market value, the administrative judge finds that Mr. Damron simply introduced insufficient evidence to affirmatively establish that the market values of Parcel 14.00, Parcel 16.00 and Parcel 17.00 as of January 1, 2006². The problems that Mr. Damron presented through his video and testimony are in the opinion of the administrative judge extrinsic factors that affects the taxpayers’ enjoyment of his property rather than the value of the property.

ORDER

It is therefore ORDERED that the following value and assessment be adopted for tax year 2006:

Parcel 14.00

<u>LAND VALUE</u>	<u>IMPROVEMENT VALUE</u>	<u>TOTAL VALUE</u>	<u>ASSESSMENT</u>
\$14,700	\$29,400	\$44,100	\$11,025

Parcel 16.00

<u>LAND VALUE</u>	<u>IMPROVEMENT VALUE</u>	<u>TOTAL VALUE</u>	<u>ASSESSMENT</u>
\$26,000	\$0	\$26,000	\$6,500

Parcel 17.00

<u>LAND VALUE</u>	<u>IMPROVEMENT VALUE</u>	<u>TOTAL VALUE</u>	<u>ASSESSMENT</u>
\$26,000	\$0	\$26,000	\$6,500

It is FURTHER ORDERED that any applicable hearing costs be assessed pursuant to Tenn. Code Ann. § 67-5-1501(d) and State Board of Equalization Rule 0600-1-.17.

Pursuant to the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-301—325, Tenn. Code Ann. § 67-5-1501, and the Rules of Contested Case Procedure of the State Board of Equalization, the parties are advised of the following remedies:

1. A party may appeal this decision and order to the Assessment Appeals Commission pursuant to Tenn. Code Ann. § 67-5-1501 and Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization. Tennessee Code Annotated § 67-5-1501(c) provides that an appeal “**must be filed within thirty (30) days**

² The relevant assessment date pursuant to Tenn. Code Ann. § 67-5-504(a).

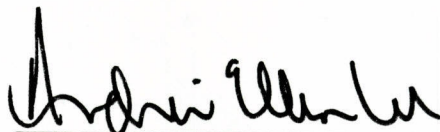
from the date the initial decision is sent.” Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization provides that the appeal be filed with the Executive Secretary of the State Board and that the appeal “**identify the allegedly erroneous finding(s) of fact and/or conclusion(s) of law in the initial order**”; or

2. A party may petition for reconsideration of this decision and order pursuant to Tenn. Code Ann. § 4-5-317 within fifteen (15) days of the entry of the order. The petition for reconsideration must state the specific grounds upon which relief is requested. The filing of a petition for reconsideration is not a prerequisite for seeking administrative or judicial review; or

3. A party may petition for a stay of effectiveness of this decision and order pursuant to Tenn. Code Ann. § 4-5-316 within seven (7) days of the entry of the order.

This order does not become final until an official certificate is issued by the Assessment Appeals Commission. Official certificates are normally issued seventy-five (75) days after the entry of the initial decision and order if no party has appealed.

ENTERED this 27th day of February, 2007.



ANDREI ELLEN LEE
ADMINISTRATIVE JUDGE
TENNESSEE DEPARTMENT OF STATE
ADMINISTRATIVE PROCEDURES DIVISION

c: Mr. Roy Damron
Ronda H. Clanton, Assessor of Property